



**London**  
**STOCK EXCHANGE**

12 January 2007

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**For the attention of the Nominated Advisers/ Finance  
Directors/ Company Secretaries, all AIM Companies**

**AIM26**

## **STOCK EXCHANGE AIM NOTICE**

### **UPDATE ON AIM NOTICE 25 (DISCLOSURE OF SIGNIFICANT SHAREHOLDERS) AND DISCUSSION OF OTHER LEGISLATIVE CHANGES (INCLUDING ELECTRONIC COMMUNICATIONS)**

#### **1. INTRODUCTION**

This Notice provides:

- An update on AIM Notice 25 (**disclosure of significant shareholders**) including confirmation of changes to the AIM Rules for Companies ("AIM Rules") which will come into effect on 20 January 2007; and
- A discussion of other legislative changes including the use of electronic communications with shareholders.

#### **2. UPDATE ON AIM NOTICE 25 (DISCLOSURE OF SIGNIFICANT SHAREHOLDERS)**

##### **Background**

On 30 November 2006, the Exchange issued AIM Notice 25 which outlined the background to, and the need for changes to the AIM Rules as a result of, the new Disclosure & Transparency Rules ("DTR") which were to be published by the Financial Services Authority ("FSA") in order to implement the EU Transparency Directive.

##### **Final DTR**

On 22 December 2006, the FSA published the final DTR which will come into effect on 20 January 2007. All AIM companies should take appropriate advice as to whether and how the DTR apply to them. In general, however, the DTR will apply to all AIM companies that are incorporated in Great Britain, including Northern Ireland.

## **Revised AIM Rules for Companies**

Attached to this Notice are amendments to the AIM Rules that are necessary to take account of the DTR. These will also come into effect on 20 January 2007.

In summary :

- No amendments have been made to AIM Rule 17 (which, amongst other things, requires the disclosure of significant shareholdings). Consequently all AIM companies will be required to continue to comply with this Rule.

Please note that this is a change to AIM Notice 25 which stated that companies subject to the DTR would not have to comply with Rule 17. Affected companies will need to comply with the DTR and will also need to continue to comply with Rule 17. New guidance to Rule 17 has been included in the AIM Rules to explain this and the main distinctions between the two.

- Companies that are not subject to the DTR will also be required to continue to comply with Rule 17. However, the guidance notes to Rule 17 have been expanded to explain what the Exchange expects of companies which are incorporated in a jurisdiction which does not have a shareholder disclosure regime similar to the DTR. Please refer to those guidance notes for more information.
- The provisions of Rule 17 and Schedule Nine of the AIM Rules which relate to disclosures of treasury share transactions remain the same and are in addition to any DTR disclosures that may be required.

## **Compliance with the DTR**

Companies that will be subject to the DTR from 20 January 2007 are advised to take appropriate advice to ensure compliance with the new disclosure requirements. Affected companies are reminded that the remaining transitional provisions will need to be satisfied and that a Total Voting Rights announcement will be required at month-end if a company's share capital has changed during that month.

## **New AIM Rules for Companies**

The revised AIM Rules are available to download in clean and marked-up versions from our website.

These changes will come into effect on 20 January 2007.

### **3. ELECTRONIC COMMUNICATIONS WITH SHAREHOLDERS**

By way of guidance, the Exchange confirms that companies that come within the Companies Act 2006 ("the Act") and which communicate with their shareholders electronically in accordance with those parts of the Act that come into effect on 20 January 2007, will be deemed to be complying with those AIM Rules that require documents to be sent to shareholders.

The practical effect of this is that it will be possible under the AIM Rules (subject to compliance with the Act and any other applicable regulation or law) for an AIM company incorporated under the Act to send the following documents electronically to shareholders:

- the annual accounts pursuant to Rule 19, and
- an admission document pursuant to Rule 14 (subject to the requirements, in particular, of the Prospectus Rules should the document also be a Prospectus).

For the avoidance of doubt, all matters required to be “notified” under the AIM Rules must still be notified via a Regulatory Information Service, as the rules require.

#### **AIM Rule 20 documents**

In addition, AIM companies and their advisers should note the continuing operation of AIM Rule 20 which requires all documents provided by an AIM company to its shareholders to be made available to the public for at least one month, as well as emailed to the Exchange. The guidance note to this rule already allows such documents to be made available to the public via a website address.

#### **4. OTHER PROVISIONS CONTAINED IN THE DTR AND THE COMPANIES ACT 2006**

Other than as detailed in this Notice, no changes to the AIM Rules will be made at this stage to take account of new provisions in the Act or other parts of the DTR.

#### **5. UPDATE ON AIM NOTICE 24**

The Exchange is currently reviewing the responses received to AIM Notice 24 (AIM Rules for Nominated Advisers and Other Proposed Rule Amendments) and will publish the results of this, together with the final AIM Rules for Companies and new AIM Rules for Nominated Advisers shortly.

#### **6. QUERIES ON THIS NOTICE**

AIM companies that have queries relating to this Notice should contact their Nominated Adviser.

Nominated Advisers or other advisers that have queries about matters relating to the AIM Rules should contact: [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com)

**Lucy Leroy**  
**Manager, AIM Regulation**

Notes:

1. AIM Notice 25 is available at: <http://www.londonstockexchange.com/aimnotices>
2. Queries in relation to the DTR should be addressed:  
UKLA Helpdesk  
telephone: 020 7066 8333, option 4  
e-mail: TD\_queries@fsa.gov.uk